

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

**RECEIVED**

APR 01 2004

**AZ CORPORATION COMMISSION**  
**DIRECTOR OF UTILITIES**

**ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY**

W-02128A  
Hillcrest Water Company  
915 E. Bethany Home Rd.  
Phoenix AZ 85014

**ANNUAL REPORT**

**FOR YEAR ENDING**

<b>12</b>	<b>31</b>	<b>2003</b>
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FOR COMMISSION USE

<b>Ann04</b>	<b>03</b>
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## COMPANY INFORMATION

**Company Name (Business Name)** HILLCREST WATER COMPANY

**Mailing Address** 915 E. BETHANY HOME ROAD

PHOENIX (City)

AZ (State)

85014 (Zip)

602 265-5914

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Email Address** \_\_\_\_\_

**Local Office Mailing Address** 915 E. BETHANY HOME ROAD

PHOENIX (City)

AZ (State)

85014 (Zip)

602 265-5914

Local Office Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Email Address** \_\_\_\_\_

## MANAGEMENT INFORMATION

**Management Contact:** BARBARA DUNLAP

PRESIDENT

(Name)

(Title)

915 E BETHANY HOME ROAD

PHOENIX

AZ

85014

(Street)

(City)

(State)

(Zip)

602 265-5914

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Email Address** \_\_\_\_\_

**On Site Manager:** EILEEN THOMPSON

(Name)

782 BAY VIEW DRIVE

PARKER

AZ

85344

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Email Address** \_\_\_\_\_

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

**Statutory Agent:** BARBARA DUNLAP

(Name)

915 E BETHANY HOME ROAD

(Street)

PHOENIX

(City)

AZ

(State)

85014

(Zip)

602 265-5914

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Attorney:** \_\_\_\_\_

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

### OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☒ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) \_\_\_\_\_

### COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☒ LA PAZ

☐ MARICOPA

☐ MOHAVE

☐ NAVAJO

☐ PIMA

☐ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

COMPANY NAME HILLCREST WATER COMPANY

**UTILITY PLANT IN SERVICE**

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements	7,353	2,341	4,712
307	Wells and Springs			
311	Pumping Equipment	7,655	7,488	167
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	56,102	13,507	42,595
331	Transmission and Distribution Mains	14,455	14,455	
333	Services	6,800	6,800	
334	Meters and Meter Installations	8,598	8,598	
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	1,440	1,440	
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	<b>102,403</b>	<b>54,939</b>	<b>47,474</b>

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME **HILLCREST WATER COMPANY**

**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements	7,353	10	532
307	Wells and Springs			
311	Pumping Equipment	7,655	1.5	41
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	56,102	4.0	2,530
331	Transmission and Distribution Mains			
333	Services			
334	Meters and Meter Installations			
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>			<b>3,103</b>

This amount goes on Comparative Statement of Income and Expense  
Acct. No. 403.

**COMPANY NAME** HILLCREST WATER COMPANY

**BALANCE SHEET**

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>ASSETS</b>		
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$ 4,680	\$ 9,010
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	\$ 4,680	\$ 9,010
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$ 95,429	\$ 95,429
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	44,853	47,955
121	Non-Utility Property	6,974	6,974
122	Accumulated Depreciation – Non Utility	6,974	6,974
	<b>TOTAL FIXED ASSETS</b>	\$ 50,576	\$ 47,474
	<b>TOTAL ASSETS</b>	\$ 55,256	\$ 56,484

**NOTE:** The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

**BALANCE SHEET (CONTINUED)**

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>LIABILITIES</b>		
	<b>CURRENT LIABILITIES</b>		
231	Accounts Payable	\$ 5,800	\$ 500
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes	1,638	1,638
237	Accrued Interest	1,638	1,638
241	Miscellaneous Current and Accrued Liabilities	39,771	39,771
	<b>TOTAL CURRENT LIABILITIES</b>	\$ 47,209	\$ 41,909
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	\$ 86,662	\$ 86,662
	<b>DEFERRED CREDITS</b>		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	<b>TOTAL DEFERRED CREDITS</b>	\$	\$
	<b>TOTAL LIABILITIES</b>	\$ 133,871	\$ 128,571
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$ 28,000	\$ 28,000
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings	(106,615)	(100,087)
218	Proprietary Capital (Sole Props and Partnerships)		
	<b>TOTAL CAPITAL</b>	\$ (78,615)	\$ (72,087)
	<b>TOTAL LIABILITIES AND CAPITAL</b>	\$ 55,256	\$ 56,484

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 47,344	\$ 60,302
460	Unmetered Water Revenue		
474	Other Water Revenues		
	<b>TOTAL REVENUES</b>	<b>\$ 47,344</b>	<b>\$ 60,302</b>
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$	\$
610	Purchased Water	106	
615	Purchased Power	2,960	2,763
618	Chemicals		
620	Repairs and Maintenance	1,802	7,936
621	Office Supplies and Expense		
630	Outside Services	36,104	27,288
635	Water Testing		
641	Rents		
650	Transportation Expenses		
657	Insurance – General Liability	3,186	4,403
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	1,113	2,070
403	Depreciation Expense	3,162	3,103
408	Taxes Other Than Income	2,713	3,740
408.11	Property Taxes	4,527	2,422
409	Income Tax	50	50
	<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 57,989</b>	<b>\$ 53,775</b>
	<b>OPERATING INCOME/(LOSS)</b>	<b>\$ (10,645)</b>	<b>\$ 6,527</b>
	<b>OTHER INCOME/(EXPENSE)</b>		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	<b>TOTAL OTHER INCOME/(EXPENSE)</b>	<b>\$</b>	<b>\$</b>
	<b>NET INCOME/(LOSS)</b>	<b>\$ (10,645)</b>	<b>\$ 6,527</b>



COMPANY NAME HILLCREST WATER COMPANY

**SUPPLEMENTAL FINANCIAL DATA**  
**Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	1993	1998	1999	
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$ 5,591	\$ 47,304	\$ 30,000	\$
Amount Outstanding	\$ 5,591	\$ 47,304	\$ 30,000	\$
Date of Maturity				
Interest Rate	8	8	8	
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End \$ -0-

Meter Deposits Refunded During the Test Year \$ -0-

**COMPANY NAME** HILLCREST WATER COMPANY

## WATER COMPANY PLANT DESCRIPTION

### WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (Gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-501879	3	300	160	6	3	1982
55-554097	3	150	170	6	3	1996

- Arizona Department of Water Resources Identification Number

### OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
N/A		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
3	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
43,001	1	85	1
50,000	1		

COMPANY NAME HILLCREST WATER COMPANY

**WATER COMPANY PLANT DESCRIPTION (CONTINUED)**

**MAINS**

Size (in inches)	Material	Length (in feet)
2		
3		
4	PVC	7,000
5		
6	PVC	2,845
8		
10		
12		

**CUSTOMER METERS**

Size (in inches)	Quantity
5/8 X 3/4	180
3/4	
1	
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

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STRUCTURES:

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OTHER:

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COMPANY NAME: HILLCREST WATER COMPANY

**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2003**

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	181	596	431 GAL
FEBRUARY	180	494	1,021
MARCH	180	477	1,022
APRIL	180	650	657
MAY	181	599	1,023
JUNE	181	677	883
JULY	181	1,016	919
AUGUST	183	639	1,352
SEPTEMBER	185	566	704
OCTOBER	187	570	1,091
NOVEMBER	185	457	915
DECEMBER	187	552	730
TOTAL		N/A	10,748 GAL

Is the Water Utility located in an ADWR Active Management Area (AMA)?

( ) Yes (X) No

Does the Company have An ADWR Gallons Per Capita Per Day (GPCPD) requirement?

( ) Yes (X) No

If yes, provide the GPCPD amount: \_\_\_\_\_

What is the level of arsenic for each well on your system. \_\_\_\_\_mg/l

*(If more than one well, please list each separately)*

*Note: If you are filing for more than one system, please provide separate data sheets for each system.*

COMPANY NAME HILLCREST WATER COMPANY YEAR ENDING 12/31/2003

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2003 was: \$ 2,422

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

2098

HILLCREST WATER CO.

915 E BETHANY HOME RD  
PHOENIX, AZ 85014

91-527 1822  
1221

DATE 10-21-03

PAY  
TO THE  
ORDER OF

Pay County Treasurer

\$ 2421.89

Two Thousand Four hundred twenty-one and 89/100

DOLLARS

LOGO  
MISSING

FOR 2002-2003 taxes

Barbara J. Dunlap

⑈002098⑈ ⑆122105278⑆0817322902⑈

⑈0000242189⑈

COMPANY NAME HILLCREST WATER COMPANY

YEAR ENDING 12/31/2003

INCOME TAXES**RECEIVED**

APR 01 2004

For this reporting period, provide the following:

Federal Taxable Income Reported  
Estimated or Actual Federal Tax Liability-0-**UTAH CORPORATION COMMISSION  
DIRECTOR OF UTILITIES**State Taxable Income Reported  
Estimated or Actual State Tax Liability50

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances  
Amount of Gross-Up Tax Collected  
Total Grossed-Up Contributions/Advances-0--0--0-

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

Barbara Dunlap  
SIGNATURE3-30-04  
DATEBARBARA DUNLAP  
PRINTED NAMEPRESIDENT  
TITLE

VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only

RECEIVED

APR 01 2004

VERIFICATION

STATE OF \_\_\_\_\_

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)  
LA PAZ

NAME (OWNER OR OFFICIAL) TITLE  
BARBARA DUNLAP PRESIDENT

COMPANY NAME  
HILLCREST WATER COMPANY

ARIZONA CORPORATION COMMISSION  
DIRECTOR OF UTILITIES

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2003

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2003 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 64,042

(THE AMOUNT IN BOX ABOVE  
INCLUDES \$3,740  
IN SALES TAXES BILLED, OR COLLECTED

\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

30th

DAY OF

COUNTY NAME MARICOPA

MONTH MARCH

2004

(SEAL)

MY COMMISSION EXPIRES

10/26/05

SIGNATURE OF OWNER OR OFFICIAL  
602 265-5914

TELEPHONE NUMBER

SIGNATURE OF NOTARY PUBLIC

KELLY K. WAGGONER  
Notary Public - Arizona

Maricopa County

My Comm. Expires Oct 26, 2005

My Comm. Expires Oct 26, 2005



# RECEIVED

APR 01 2004

VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
INTRASTATE REVENUES ONLY

ARIZONA CORPORATION COMMISSION  
DIRECTOR OF UTILITIES

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION  
FOR THE YEAR ENDING

(COUNTY NAME) MARICOPA	
NAME (OWNER OR OFFICIAL) BARBARA DUNLAP	TITLE PRESIDENT
COMPANY NAME HILLCREST WATER COMPANY	

MONTH	DAY	YEAR
12	31	2003

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

## SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2003 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 64,042

(THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ 3,740  
IN SALES TAXES BILLED, OR COLLECTED

\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.

*Barbara Dunlap*  
SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

30th

DAY OF

NOTARY PUBLIC NAME Kelly K. Waggoner	
COUNTY NAME MARICOPA	
MONTH MARCH	YEAR 2004

(SEAL)

MY COMMISSION EXPIRES 10/26/05

x *Kelly K. Waggoner*  
SIGNATURE OF NOTARY PUBLIC



KELLY K. WAGGONER  
Notary Public - Arizona  
Maricopa County

Oct 26, 2005